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# PENSIONS COUNCIL

Meeting on Wednesday, 21 April 2021 at 3.00pm  
Virtual meeting

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**Attendance:** Jim Murray (Chair)  
Joanne Roche  
Tim O'Hanrahan  
Munro O'Dwyer  
Kirstie Flynn  
Roma Burke  
Stephen Gillick  
Roshin Sen  
Eoin Dormer

**Apologies:** Brendan Kennedy  
Deirdre Cummins

**Also in attendance:** Ailís Henry (Note taker)  
Brian Purcell (DSP)  
Colm Fagan (presentation)

**Quorum:** Quorum present  
9 of 11 Council Members present (6 required)

## Minutes

### 1. Adoption of agenda

The proposed agenda for this meeting was agreed.

### 2. Conflict of interest

No new conflicts of interest were declared.

### 3. Approval of draft minutes

The minutes of the meeting held on 17 February 2021 were approved by the Council.

### 4. Review of Recent Developments

Brian Purcell provided an update on the recent developments from DSP:

- ESRI are working on stage one of the research programme on 'Housing and

Pensions'. They will provide an update to the Council and members of the Steering Group on this stage of the work at the Pension Council meeting in June

- The IORP II regulations are currently with the Minister for signing. The Council members had a discussion round IORP II regulations when they would come into effect, immediately or if they would contain a 'from effective' date.
- The auto enrolment programme management office have begun to receive further technical support from the EU.
- The Pensions Commission held a forum (today, 21 April) which heard from invited guests and the public, and presentations from the OECD, Age Action, ESRI, IBEC, Irish Congress of Trade Unions and National Women's Council of Ireland.

## **5. Discussion with Colm Fagan**

Colm Fagan joined for a discussion on his auto enrolment approach proposal. The council members had raised questions about the proposal which were sent to Colm Fagan for the discussion at the meeting. He provided written answers to each of the questions which were circulated to the Council members in advance.

Due to time constraints, it was decided to focus on a selected few of the twenty seven questions and answers raised, including the following issues;

- How this proposed AE system would impact on the existing pensions industry
- How much of the difference in the performance post-retirement is as a result of the assumptions relating to costs post-retirement, and to the more stringent pay-out rules, rather than the investment approach.
  - Issues around equity risk and consumer protection raised by members
- Intergenerational fairness – does the smoothed approach exacerbate Intergenerational inequity
  - Smoothing formula requested and Colm Fagan informed council it is in appendix of the original paper.
- Cash flow projections
  - Questions of longevity and reasonable assumption of contributions raised.

Colm Fagan thanked the Council for their time and questions and reiterated the purpose of the discussion was to get support for an independent review of his proposal.

## **6. Letter from Minister**

The Council received a letter from Minister Humphreys dated 04 March 2021, which addressed the Council's letter on consolidation of DC schemes and master trusts. The Minister also acknowledged the work the Council is doing, including looking at investment strategies in terms of auto enrolment, and the research programme on housing and pensions with the ESRI. The Minister asked the Council views on tackling

the gender pension gap and how pensioners can be best served during the decumulation phase of retirement and referred to the whole of life PRSA product the IDPRTG recommended. The Minister also asked the Council to consider the merits of an initiative akin to the Cost Transparency initiative in the UK.

The Minister also acknowledged the Council would benefit from additional numbers and stated the officials will identify additional candidates to join using the Public Appointments Service process.

The requests from the minister in this letter led to the discussions below:

### **Gender discrimination in Pensions**

The Chairman asked the members for ideas and approaches for the Council to examine gender discrimination in pensions such as changes to rules or lower thresholds for auto enrolment entry.

It was agreed from this discussion that the chairman would collate a list of ideas raised by members and would write to various organisations while also sending out a call on the website inviting submissions to the Council on the issue of gender discrimination in relation to supplementary pensions. Roshin Sen and Brian Purcell agreed to review a recent OECD report '*Towards Improved Retirement Saving Outcomes for Women*' and to provide the Council with the main findings that link into this issue for the next meeting. The Chair asked if the council members have any other ideas or sources of information to let him know.

### **Whole of life PRSA products**

There was a brief discussion around the issue of the fees of the Pensions Authority being a percentage of assets under management, and generally on the fees model for schemes. The members referred back to the issues facing PRSAs that had been raised during the presentation from LCP including charges, and existing regulations. There was some confusion over the request from the Minister in relation to PRSAs, as the IDPRTG is already working on this and there are some unknowns around IORP II, so Roshin Sen agreed to get clarity and will also ask the IDPRTG for an update and report back to the Council next month. The Chairman will circulate a list of the issues raised.

### **Cost transparency**

In advance of the Council meeting members received two notes on cost transparency and the UK cost transparency initiative. The member discussed issues raised in these notes and around cost transparency and decumulation, the members also suggested the need for members to be able to understand and compare the level of services being paid for, plain language initiatives. The Chairman will collate a list and circulate to members for discussion at next meeting. Roshin Sen also suggested she would try to organise a speaker (from a country with a cost transparency initiative) to discuss cost transparency issues with the Council.

## 7. Other Business

None.

## 8. Next Meeting:

The next meeting of the Pensions Council will take place on Wednesday, 19 May 2021.

## 9. To-do list

<b>Gender pension gap</b> <ul style="list-style-type: none"><li>• Collate list of ideas to tackle gender pension gap.</li><li>• Draft wording for submission for organisations to present to Council.</li><li>• Prepare and circulate key findings from OECD report.</li></ul>	JM JM RS
<b>PRSA whole of life</b> <ul style="list-style-type: none"><li>• Collate list of PRSA whole of life issues to review.</li><li>• Seek clarity on Minister's request to Council.</li><li>• Get update from IDPRTG.</li></ul>	JM RS RS
Invite speaker to present to Council on costs transparency	RS